



Press Release
For Immediate Release

**HEMBLY LAUNCHED EFFECTIVE MEASURES TO
LESSEN IMPACT OF FINANCIAL CRISIS**

(Hong Kong, 4 December 2008) – **Hembly International Holdings Limited** today announced the Group has entered into a Sale and Purchase Agreement that will help the Group deal with recent global credit crunch and looming global recession and will maintain the Group's financial health.

In order to further adjust its business model and to redeploy its resources, on 2 December, 2008, Hembly and its wholly-owned subsidiary, Spring Castle Group Limited ("Spring Castle"), entered into the conditional sale and purchase agreement with Primewill Investments Limited ("Primewill"), an associate of New World Development Company Limited, pursuant to which the Group intends to sell to Primewill its share at Well Metro (i.e., business of distribution and retailing of apparel and accessories in the PRC) for an aggregate cash consideration of HK\$100,000,000.

Mr. Ngok Yan Yu, Chairman of Hembly, said the adjustment to focus on the Group's core supply chain business was "necessary" due to severe business environment. "Financial Crisis had adversely impacted all sorts of business. Hembly is no exception. In particular, the luxury and affordable luxury business suffered most from the poor consuming atmosphere. While the impact the current crisis hits most on our distribution and retailing business, which only accounts for 12% of total turnover in the financial year 2007, we decided to take the determined measure to properly use of financial resources in head to uphold financial health and sustainability of our Group, which is always our top priority."

The disposal of the Distribution and Retailing business reflects the Group's stringent control and proper use of its financial resources in hand. After the transaction is completed, The Group intends to focus its resources and strengths of Supply Chain Services to better position itself by establishing clearer strategic objectives.

"With continued support from the investors, the Management is confident that Hembly would continue to achieve outstanding performance in supply chain services as European brands would be more enthusiastic to look for reliable out-sourcing opportunities in China" Mr. Ngok concluded.



Following this update announcement, the Group will issue circular relating to the disposal of the Distribution and Retailing Business. The circular will provide more details of the transaction and the notice of Extraordinary General Meeting to approve the transaction.

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About Hembly International Holdings Limited (Stock code: 3989)

Established in 2000 and listed on Hong Kong Stock Exchange in 2006, Hembly International Holdings Limited is a leader in the provision of apparel supply chain services. Hembly's capability of supply chain solutions is highly recognized by multinational renowned clients, including *United Colors of Benetton, Sisley, Moschino, See by Chloé, R.E.D. Valentino, DKNY Jeans, Diesel, Quiksilver, Lafuma, Lotto, Salewa, Sergio Tacchini* and *Bond Street*.

Headquartered in Hong Kong, Hembly has strong European sales and marketing arms in Italy, France, Sweden and Germany and operation arms in China, including Nanjing, Shenzhen, Shanghai and Beijing, and Macao.

For more information of Hembly, please visit its website at www.hembly.com.

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